

United States District Court, Eastern District of New York

225 Cadman Plaza East

Brooklyn, New York 11201

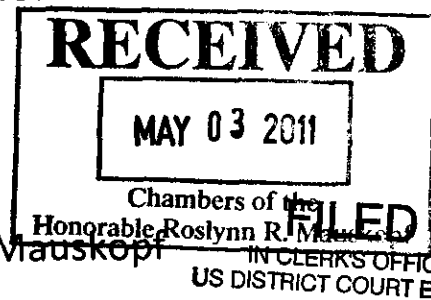
Attn; Honorable District Court Judge Roslynn R. Mauskopf

April 29 ,2011

Re: Index#11CV 0752

Sol Rosen Plaintiff v. North Shore Towers Apartments Inc. Defendant

Honorable District Court Judge Roslynn R. Mauskopf



★ MAY 04 2011 ★

BROOKLYN OFFICE

1. Alledged since March 12 ,2010 ,that cash "missing" in the amount of \$35 million, as at December 31,2010

2. Charles h.Greenthal Management Co.inc officials at North Shore Towers Apartments INC.,Robert Serikstad their CPA and corporate controller ,Glen Kotowski Gen.Mgr ,Errol Brett Esq. corporate attorney , Morton Gitter Esq. Corporate Treasurer and Board member are the complicit group responsible for the fraud., the. perpetrators

3.In 13 months documented evidence of the fraud was presented in three courts Schedule 1F ,Exhibit 2 , Tables A and Table B ,projections for the year 2011 beginning in the Housing Court March 12,2010 ,NY State Supreme Court July 28,2010,U.S.District Court February 15 ,2011.

None of the evidence has been refuted, nor have any of the hundreds of accountants available to the Defense ever attempted to support the fraudulent method of accounting of the Defense. It is reasonable to infer that the Plaintiffs accounting is mostly irrefutable

UNDISPUTED

- 1.The Defendant corporation is owned by the shareholders
- 2..The complicit group detailed above do not own the corporation.
- 3.Seyfarth Shaw LLP cannot represent shareholders in opposition to shareholders claims to recover \$35 million of "missing "cash..The conflict of interest is undisputed. .Seyfarth Shaw represents the complicit group. It is irrational to assume that shareholders would vote to collect Plaintiffs back rent and waive their right to claim \$35 million of "missing "cash. and silence their advocate

The Defense Motion to Dismiss is moot.

4..Evidence of Budget Fraud ,accounting malpractice ,legal malpractice and missing cash as at December 31,2010 is enclosed.,,,none of which has been refuted ,nor ever attempted..Instead, summary judgments, without a trial have been the strategy available to the complicit group

5.As a matter of law a summary judgment, without a trial ,when there are triable issues of fact is invalid.

6.Plaintiff has met all of the requirements for granting a preliminary injunction set forth by the corporate attorney in his affirmation enclosed ,dated August 13 ,2010 Exhibit 37

- 1.A likelihood for success
2. Irreparable injury absent granting a preliminary injunction.
3. Balancing of the equities in their favor

CONCLUSION

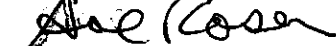
1.The shareholders , owners of the defendant corporation must seek to recover \$35million "missing:" cash and in support of Plaintiff elect to return the apartment to their Plaintiff advocate with \$2million damages for wrongful eviction .

2The Plaintiff is given leave by the Court to retain qualified counsel and forensic accountant to commence a shareholders derivative action to recover missing cash in an appropriate Court, selected by counsel. Plaintiff pledges to use the above award for wrongful eviction to fund the shareholders derivative claim

3. The Plaintiff may refer the evidence presented to this Court to the United States Attorney, Southern District of New York Preet Bharara for possible prosecution as to the "missing "cash.

4.It is requested that the Court rule on the above immediately. The lives of the 85 year old Plaintiff and his stroke victim wife are threatened by delay, ..The delay increases the fraudulent assessments by \$33,333 daily to the complicit group, who already has had too much time to park their money off shore.

Respectfully submitted,



Sol Rosen

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BUDGET FRAUD

Certified Income

2010 4,965,773

Certified Income

2009 6,097,595

Fraudulent Budget Deductions

(1,793,000) (a) Abatement (1,793,000)

(400,000) Transfer Fee (400,000)

(125,000) Investment Inc (250,000)

(375,795) * Recreation Inc (308,165) *

Total Budget fraud and Recreation Income omitted

(2,993,795)

(2,751,165)

*Recreation Income (see Revenues section)

(a) Robert Seikstad CPA stated the NYC Abatement had been increased by \$775, 000, not shown

Certified Income

2008 4,419,686

(1,793,000) Abatement (1,793,000)

(285,000) Investment Income (449,905)

(400,000) transfer Fees (616,000) (b)

(62,000)* Recreation Income (360,904))*

Total Budget Fraud and Recreational Income Omitted

(2,540,000)

(3,219,809)

(b) Budget 2007 ,not available, used actual revenues

© Total Budget Fraud and Recreation Income omitted in budgets

Certified Income

2007 (3,219,809) 5,368,,557

2008 (2,540,000) 4,419,686

2009 (2,993,795)) 6,097,595

2010 (2,751,165) 4,965,773

Total (11,504,769) © 20,851,611

8,162,791d

29,013,411 (e)

(d0 December 31,2006 cash reserves

(e) minimum cash reserves ,without Schedule 1F,income from Capital

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FRAUDULENT CERTIFIED REPORTS

Continued From Page 2

Certified Cash Surplus	29,013,421
Add: Omissions Schedule 1 F	18,535,738
Add: Greenthal,Serikstad CPA increased	
2010 NYC Abatement \$775,000 omitted	
x 3 Capital assessments	2, 325,, 000 (f0
Plaintiff Cash Surplus Dec.31, 2010	49,864,159
Certified Cash Surplus Dec.31, 2010	18,649,031
Cash "missing" Dec.31, 2010	31,215,128

(f)Abatements for 2007,2008,2009,2010 to be verified with
New York City Dept. of Finance

11. Subsequent events through March17, 2011 (OMITTED)

February 15, 2011 United States District Court, Eastern District

Index# 11CV0752 legal auction commenced by a shareholder alleging

\$35 million embezzlement by Greenthal officials and others and

wrongful eviction with claims for damages

Greenthal West 72 Street Certified Report: "The abatements are either credited to real estate tax due on the property, or distributed directly to shareholders"

Greenthal North Shore Towers Certified Note G: "Maintenance income and Real Estate tax expense are presented gross of their effect of the Abatement program"

CAPITAL ASSESSMENTS OF ABATEMENTS NULLIFY BOTH OF THE ABOVE SPECIFIED ACCOUNTING PRESENTATIONS

	Capital Assessment * Revenue Section Abatements	Capital Assessment Capital Account, through Cash flows
2007	1,195,088 Cap assess*	Cap assess * 1,195,088 Apt. Transfer Fee 616,420 Investment Income 137,252 <u>Total: 1,948,760</u>
2008	1,792,555 Cap asses*	Cap assess * 1,792,555 Apt. Transfer Fee 438,935 Investment Income 101,992 <u>Total: 2,333,482</u>
2009	1,195,088 Cap assess *	Cap assess * 1,195,088 Apt. Transfer Fee 455,840 Investment Income 14,771 <u>Total: 1,676,139</u>
2010	2,140,500 Cap assess*	Cap assess * 2,140,500 Apt. Transfer Fee 713,330 Investment Income 102,752 <u>Total: 2,956,582</u>
Total 4-yr		Fraudulent Credit to cash from cash flows
	<u>Greenthal Created income 6,323,231b)</u>	Greenthal Created income 8,,914,963 (b)

*Capital assessments equal Abatement less distribution to shareholders

(b Greenthal income above 15,,238,194 + Omissions below 18,535,,738 = 33.773,932

Certified 2006: 8,162,791 cash reserve (never exceeded this amount before 2007)

Certified 2007: 5,368,557 income

Certified 2008: 4,419,686 income

Certified 2009: 6,097,595 income total cash 24,048,628 ,Certified \$16,683,689

(b) year 2010 8,,686,795 income projected

cash 2006-2010 32,735,423

32,735,423 (b)

Omitted, 4 years

(a) Abatements omitted, Revenues Section

7,947,600

Mortgage Payable „Note F (duplicated in cash flow)

4,808,761,

Building improvements,, NO qualified Capital Improv Note D 4,395 ,878

Investment Income „missing

1,300,000

Emergency fund additions year 2008 69,059 year 2009 14,440 83,499

Cash reserves 12/31/10 ,Plaintiff projectd 51,271,161 , add \$1 million monthly

Cash reserves 12/31/10 Controller reported 17,,478,865 Cash missing 33,792.296

AS AMENDED CONTROLLER REPORT DATED DECEMBER 31,2010

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EXHIBIT 2(b)

North Shore Towers and Country Club
2010 Budget versus 2009 Projected and Budget

	2010 Budget	2009 Actual/ Projected	2009 Budget
Operating Revenue			
Maintenance Charges (No Increase for 2010)	\$ 39,777,000	\$ 39,777,000	\$ 39,777,000
Capital Assessment (tentatively \$0.30/per Share June 2009)	(1,793,000)	1,195,000	(1,793,000)
Capital Assessment to Capital Improvement Fund	(1,793,000)	(1,195,000)	(1,793,000)
Electricity Income	1,899,000	1,899,000	1,875,000
Commercial Income	836,000	820,000	751,000
Investment Income	(125,000)	39,000	250,000
Less: Investment Income to Capital Improvement Fund	(125,000)	(39,000)	(250,000)
Apartment Transfer Fees	400,000	400,000	400,000
Less: Apartment Transfer Fees to Capital Improvement Fund	(400,000)	(400,000)	(400,000)
Other Income	530,000	466,000	447,000
Total Operating Revenue	43,042,000	42,962,000	42,850,000
Operating Expenditures			
Labor and Related Costs	8,476,000	8,088,000	8,186,000
Power and Natural Gas	4,033,000	3,346,000	5,105,000
Water and Sewer Charges	1,178,000	1,042,000	1,175,000
Repairs, Maintenance and Supplies	1,453,000	1,341,000	1,424,000
Service Contracts	1,870,000	1,846,000	1,842,000
Insurance	1,270,000	1,235,000	1,345,000
Management Fee	1,005,000	975,000	975,000
Franchise and Corporation Taxes	220,000	218,000	218,000
Real Estate Taxes	17,561,000	16,764,000	16,964,000
Mortgage Payments	4,953,000	4,953,000	4,953,000
Common Area Expenses	657,000	642,000	663,000
Total Operating Expenditures	42,676,000	40,450,000	42,850,000

EXHIBIT 2(b)

Exhibit 2

North Shore Towers and Country Club
2009 Budget versus 2008 Projected and Budget

2008
2009

	2009 Budget	Actual/ Projected
Operating Revenue	\$ 39,777,000	\$ 38,618,000
Maintenance Charges (+3% Effective January 1, 2009)	1,793,000	1,793,000
Capital Assessment (\$0.30 / per Share projected June 2009)	(1,793,000)	(1,793,000)
Capital Assessment to Capital Improvement Fund	1,875,000	1,875,000
Electricity Income	751,000	736,000
Commercial Income	250,000	285,000
Investment Income	(250,000)	(285,000)
Less: Investment Income to Capital Improvement Fund	400,000	400,000
Apartment Transfer Fees	(400,000)	(400,000)
Less: Apartment Transfer Fees to Capital Improvement Fund	447,000	437,000
Other Income	42,850,000	41,666,000
Total Operating Revenue		
Operating Expenditures		
Labor and Related Costs	8,186,000	7,799,000
Power and Natural Gas	5,105,000	5,760,000
Water and Sewer Charges	1,175,000	1,040,000
Repairs, Maintenance and Supplies	1,424,000	1,310,000
Service Contracts	1,842,000	1,761,000
Insurance	1,345,000	1,419,000
Management Fee	975,000	960,000
Franchise and Corporation Taxes	218,000	204,000
Real Estate Taxes	16,864,000	15,067,000
Mortgage Payments	4,953,000	4,953,000
Common Area Expenses	663,000	684,000
Total Operating Expenditures	42,850,000	40,957,000
Excess of Operating Revenue over Expenditures	\$ 2,560,000	\$ 709,000

The 2009 Budget reflects a 3% maintenance increase effective January 1, 2009 and a \$0.30 Share. (Budgeted) 2009 in the amount of \$0.30 Share. (Budgeted) 2009

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NORTH SHORE TOWERS APARTMENTS
INCORPORATED AND SUBSIDIARY

Consolidated Statements of Revenues and Expenses

	Year Ended December 31,		
	Actual 2010	Budget 2010 (Un- audited)*	Actual 2009
Revenues			
Assessments from proprietary tenants:			
Maintenance charges, including electricity of \$1,892,710 in 2010 and \$1,680,341 in 2009 (Note G)	\$ 41,671,161	\$ 41,524,000	\$ 41,469,025
Capital Assessment (Notes D and G)	1,493,860	1,494,000	1,195,062
Total assessments from proprietary tenants	43,165,021	43,018,000	42,664,087
Other income			
Commercial rents, including electricity of \$159,419 in 2010 and \$148,317 in 2009 (Note G)	939,427	970,000	966,184
Recreational facility income, The Towers Country Club, Inc., a wholly owned Subsidiary, net of direct expenses of \$2,765,744 in 2010 and \$2,652,988 in 2009 excluding depreciation of \$203,020 in 2010 and \$170,543 in 2009 (Note B)	375,795	218,000	300,155
Investment income	153,741	125,000	43,998
Apartment transfer fees (Note B)	713,330	400,000	449,400
Sundry, including work order income of \$126,629 in 2010 and \$133,889 in 2009	674,901	548,000	529,313
Total other income	2,857,194	2,261,000	2,289,050
Total revenues	46,022,215	45,279,000	44,953,137
Expenses			
Labor and related expenses (Note G)	8,356,464	8,476,000	8,106,738
Power and natural gas	3,733,421	4,033,000	3,237,890
Water and sewer	1,210,177	1,178,000	1,053,374
Repairs, maintenance and supplies	1,890,391	2,054,000	1,823,939
Security	1,213,188	1,249,000	1,254,289
Insurance	1,197,709	1,270,000	1,215,202
Management fees (Note G)	1,005,000	1,005,000	975,000
Real estate taxes (Note G)	17,849,516	17,561,000	16,574,913
Mortgage interest (Note F)	3,645,738	3,646,000	3,712,988
Sundry (Note G)	954,888	897,000	901,210
Total expenses	41,056,492	41,369,000	38,855,542
Income before depreciation and amortization	4,965,723	\$ 3,910,000	6,097,595
Depreciation and amortization (Note B)	3,722,813		3,692,909
Net income	\$ 1,242,910		\$ 2,404,686

*As approved by the Board of Directors on November 19, 2009.

**NORTH SHORE TOWERS APARTMENTS INCORPORATED
AND SUBSIDIARY**
Consolidated Statements of Revenues and Expenses

	Year Ended December 31,		
	Actual 2008	Budget 2008 (Un-audited)*	Actual 2007
Revenues:			
Assessments from proprietary tenants:			
Maintenance charges, including electricity of \$1,792,095 in 2008 and \$1,585,446 in 2007 (Note G)	\$40,405,750	\$40,218,000	\$39,446,784
Capital Assessment (Notes D and G)	<u>1,792,555</u>	<u>1,793,000</u>	<u>1,195,088</u>
Total Assessments from proprietary tenants	<u>42,198,305</u>	<u>42,011,000</u>	<u>40,641,872</u>
Other income:			
Commercial rents, including electricity of \$151,896 in 2008 and \$114,585 in 2007 (Note G)	875,054	815,000	803,606
Recreational facility income, The Towers Country Club, Inc., a wholly owned Subsidiary, net of direct expenses of \$2,645,683 in 2008 and \$2,546,147 in 2007 excluding depreciation of \$195,175 in 2008 and \$181,791 in 2007 (Note B)	62,076	155,000	390,944
Investment income	272,190	400,000	449,905
Apartment transfer fees (Note B)	438,935	600,000	616,420
Sundry, including work order income of \$137,030 in 2008 and \$133,415 in 2007	<u>465,268</u>	<u>423,000</u>	<u>402,268</u>
Total other income	<u>2,113,523</u>	<u>2,393,000</u>	<u>2,663,143</u>
Total revenues	<u>44,311,828</u>	<u>44,404,000</u>	<u>43,305,015</u>
Expenses:			
Labor and related expenses (Note G)	7,830,677	8,099,000	7,645,418
Power and natural gas	5,589,055	5,091,000	4,641,607
Water and sewer	1,013,113	1,043,000	947,345
Repairs, maintenance and supplies	1,741,977	2,181,000	1,716,135
Security	1,214,266	1,215,000	1,150,113
Insurance	1,396,208	1,480,000	1,482,422
Management fees (Note G)	960,000	960,000	977,654
Real estate taxes (Note G)	15,407,663	15,108,000	14,780,942
Mortgage interest (Note F)	3,787,101	3,787,000	3,836,756
Sundry (Note G)	<u>952,082</u>	<u>846,000</u>	<u>758,066</u>
Total expenses	<u>39,892,142</u>	<u>39,810,000</u>	<u>37,936,458</u>
Income before depreciation and amortization	4,419,686	<u>\$ 4,494,000</u>	5,368,557
Depreciation and amortization (Note B)	<u>3,715,755</u>		<u>3,707,918</u>
Net income	<u>\$ 703,931</u>		<u>\$ 1,660,639</u>

* As approved by the Board of Directors on November 15, 2007.

TABLES A and B

TABLE A detailing (e) (f) (g)

	Budget Greenhal surpluses (Before the year)	Surpluses Certified PKF end of year	Projected surpluses, Schedule 1F Averaged annually, with omissions added back
2007	not available	\$5,368,557	\$11,000,000,
2008	\$480,000	\$4,419,686	\$11,000,000
2009	Zero	\$6,097,595	\$11,000,000
2010	\$365,000	\$8,686,795 projected	\$11,000,000
Total	845,000	\$24,572,663	\$44,000,000

Unanswered, after his reading of the Complaint is the correct amount of the Abatements
 2011 None \$2 million

for the years 2007, 2008, 2009 after correcting 2010 to \$2,568,000 from \$1,793,000

The detailed allegations of fraud are documented in the controllers Certified reports and
 Exhibit 1F and tables below

TABLE B

	Cash Reserves Certified PKF	2006 Cash Reserve Plus Surplus, plus average omissions	Missing Cash cumulative
2007	11,227,613	18,131,348	6,903,735
2008	13,273,480	27,151,034	13,877,554
2009	16,683,669	37,848,629	21,164,960
2010	20,000,000 Proj.	51,135,604 Projected	31,135,604 Projected
Total	20,000,000*	51,135,604 cumulative	31,135,604 cumulative

11,478,865 51,271,761 33,792,296

2011 Budget Fraud, Dec. 17, 2010

Exhibit JI

The December 17, 2010 fraudulent 2011 budget presentation meeting Exhibit 51
 Provides innumerable triable issues of budget fraud and accounting malpractice

1. with no disclosure to shareholders of the current case of a \$44 million fraud allegation
2. continuing the monthly \$1 million increase in missing cash and fraudulent assessments
3. elimination of schedules 2 and 2a in presentation to conceal fraudulent assessments
4. projected 2010 cash surplus \$998,000. Plaintiff projects \$12 million cash surplus
5. projected 2011 year end cash and reserves \$13.8 million Plaintiff projects \$63 million
6. projected 2011, no cash surplus, balanced budget Plaintiff projects \$12 million surplus